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DEPARTMENT OF HOMELAND SECURITY

8 CFR Part 235

[CBP Dec. 19-05]

RIN 1651-AB24

U.S. Asia-Pacific Economic Cooperation (APEC) Business Travel Card Program Regulations

AGENCY: U.S. Customs and Border Protection, U.S. Department of Homeland Security.

ACTION: Final rule; conforming amendment.

SUMMARY: This document amends the Department of Homeland Security's (DHS) regulations pertaining to the U.S. Asia-Pacific Economic Cooperation (APEC) Business Travel Card Program to conform to the Asia-Pacific Economic Cooperation Business Travel Cards Act of 2017 (APEC Act of 2017). Among other conforming changes, it removes the sunset provision and adds a definition of trusted traveler program. It also updates the regulations to correct two minor errors.

DATES: The final rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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I. Background

The Asia-Pacific Economic Cooperation Business Travel Cards Act of 2011 (APEC Act of 2011) established the U.S. APEC Business Travel Card (ABTC) Program and authorized the Secretary of Homeland Security to issue ABTCs through September 30, 2018. Pub. L. 112-54, 125 Stat. 550. It also authorized DHS to issue implementing regulations. The U.S. ABTC Program provides qualified U.S. business travelers engaged in business in the APEC region, or U.S. Government officials actively engaged in APEC business, the ability to access fast-track immigration lanes at participating airports in foreign APEC member economies. DHS implemented the program, including the general eligibility requirements, through an interim final rule (IFR) published in the Federal Register (79 FR 27161) on May 13, 2014. This interim rule was adopted as a final rule published in the Federal Register

(81 FR 84403) on November 23, 2016. On November 2, 2017, the President signed into law the Asia-Pacific Economic Cooperation Business Travel Cards Act of 2017 (APEC Act of 2017). Pub. L. 115-79, 131 Stat. 1258. The APEC Act of 2017 replaced the APEC Act of 2011, setting forth, without changing, the general eligibility requirements for the U.S. ABTC and making the U.S. ABTC Program an ongoing program. In addition, the APEC Act of 2017 included some clarifying provisions, such as a definition of a trusted traveler program. APEC, the U.S. ABTC Program, and the new law are discussed in more detail below.

A. Asia-Pacific Economic Cooperation (APEC)

The United States is a member of APEC, which is an economic forum comprised of twenty-one members.¹ APEC's primary goal is to support sustainable economic growth and prosperity in the Asia-Pacific region. One way APEC promotes this is by facilitating a favorable and sustainable business environment. APEC also promotes regional connectivity through better physical and institutional linkages to ensure goods, services, and people move quickly and efficiently across borders. The ABTC Program discussed in Section B makes it simpler for business people to travel, thus enabling them to conduct their business, trade, and investment.

B. The APEC Business Travel Card (ABTC)

One of APEC's business facilitation initiatives is the ABTC Program. Pursuant to the ABTC Program, APEC members can issue ABTC cards to business travelers and senior government officials who meet certain standards established by the members to provide

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¹ APEC members are also referred to as 'economies' since the APEC process is primarily concerned with trade and economic issues with the members engaging each other as economic entities. The most recently updated list of members is available at the APEC website at https://www.apec.org/About-Us/About-APEC/Member-Economies (last accessed Oct. 22, 2018). For simplicity, we will generally refer to them in the preamble of this document as APEC "members," except where the term "member economy" or "member economies" is more appropriate.

simpler short-term entry procedures within the APEC region. ² The parameters of the ABTC Program are more fully set forth in the APEC Business Travel Card Operating Framework ("APEC Framework").³

Individuals may apply for the ABTC Program if they: (1) are citizens of a participating member economy;⁴ (2) have never been convicted of a criminal offense; (3) hold a valid passport issued by the home economy;⁵ and, (4) are bona fide business persons engaged in business who may need to travel frequently on short-term visits within the APEC region to fulfill business commitments. A bona fide business person is defined in the APEC Framework as a person who is engaged in the trade of goods, the provision of services, or the conduct of investment activities. Senior government officials or other government officials actively engaged in APEC business may be eligible for an ABTC as well. Each APEC member determines its own definition of the term "senior Government official." Under the APEC Framework, the following persons are not eligible for ABTCs: the business person's dependent spouse or children; persons who wish to engage in paid employment (i.e., obtain a paid employment position located in a foreign APEC member economy) or a working

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² APEC distinguishes between fully participating and transitional members for the purposes of the ABTC Program. In particular, fully participating members do not require a separate business visa or permit application from ABTC holders to whom they have granted preclearance. Generally, pre-clearance is the prior permission given by economies to an ABTC holder that grants cardholders the authorization to travel to, enter and undertake legitimate business in participating economies without first obtaining a visa. While this term is not strictly defined in the current iteration of the APEC Framework, later versions of the framework may include such a definition. The United States does not currently participate in the pre-clearance aspect of the ABTC Program. Canada and the United States are currently transitional members and do not offer visa-free travel for ABTC holders unless they otherwise qualify for visa-free travel. The IFR published on May 13, 2014 includes a more detailed description of the two types of membership. 79 FR 27161, 27162.

³ According to the IFR, standards for the ABTCs were set forth in the APEC Framework, dated October 2010. 79 FR 27161, 27162. At the time the IFR was published, the current version of the APEC Framework was Version 17, agreed to on January 30, 2013. 79 FR 27161, 27163 at n. 11. The APEC Framework is now current as Version 20, agreed to on February 26, 2018. Any subsequent revisions to the APEC Framework that directly affect the U.S. ABTC may require a regulatory change.

⁴ In the case of Hong Kong China, this applies to its permanent residents who hold Hong Kong permanent identity cards.

⁵ In the case of Hong Kong China, this applies to its permanent residents who hold a Hong Kong Special Administrative Region passport or a valid travel document issued by another country or territory.

holiday; and professional athletes, news correspondents, entertainers, musicians, artists, or persons engaged in similar occupations. Finally, the APEC Framework provides that members may impose additional eligibility criteria.

C. U.S. Participation in the ABTC Program

i) APEC Act of 2011

The APEC Act of 2011 became law on November 12, 2011. Pub. L.112-54, 125 Stat. 550. It set forth the basic eligibility and operational criteria for the U.S. ABTCs, and authorized the Secretary of Homeland Security, in coordination with the Secretary of State, to issue U.S. ABTCs through September 30, 2018. The APEC Act of 2011 specifically authorized the Secretary of Homeland Security to issue U.S. ABTCs to any eligible person, including business persons and U.S. Government officials actively engaged in APEC business, who is approved and in good standing in an international trusted traveler program of DHS. The APEC Act of 2011 also authorized the Secretary of Homeland Security, in coordination with the Secretary of State, to prescribe the necessary regulations regarding conditions of or limitations on eligibility for an ABTC.

Pursuant to the APEC Act of 2011, and after consultation with the Department of State and the private sector, DHS published an IFR in the Federal Register amending the DHS regulations to establish the U.S. ABTC program. 79 FR 27161 (May 13, 2014).⁶ The rule promulgated regulations that adhered to the APEC Framework in effect at that time and implemented the U.S. ABTC program in accordance with the APEC Act of 2011. A final rule published on November 23, 2016 that adopted the interim amendments as final.⁷

⁶ The IFR became effective on June 12, 2014. 79 FR 27161 (May 13, 2014). ⁷ 81 FR 84403. As discussed in more detail below, the final rule adopted the interim amendments as final. Notwithstanding this, subsequent citations are to the IFR only, except where a citation to the final rule is necessary.

The IFR explained that, in accordance with the APEC Framework, participation in the U.S. ABTC Program was limited to U.S. citizens⁸ who are either bona fide business persons engaged in APEC business, or U.S. Government officials actively engaged in APEC business. 79 FR 27161, 27164, 27174. It further defined "bona fide business persons engaged in business in the APEC region" as persons engaged in the trade of goods, the provision of services or the conduct of investment activities in the APEC region, and "APEC business" to mean U.S. Government activities that support the work of APEC. Id. At the same time, the IFR noted that, in accordance with the APEC Framework, professional athletes, news correspondents, entertainers, musicians, artists or persons engaged in similar occupations were not considered to be bona fide business travelers. Id.

The IFR clarified that, while the APEC Act of 2011 referred to membership in a DHS trusted traveler program as a precondition for participation in the U.S. ABTC Program, not all DHS trusted traveler programs were compatible with U.S. ABTC travel. Consequently, DHS limited eligibility to participants of Global Entry, NEXUS and SENTRI due to their eligibility requirements, vetting process and expedited processing at ports of entry. Id. The IFR and final rule also set forth the U.S. ABTC application process. See, 79 FR 27161, 27165, 81 FR 84403, 84407.

The IFR provided that U.S. ABTC card holders may apply to renew their membership up to a year prior to the expiration of their ABTCs, as long as they did so before the

⁸ In accordance with the APEC Framework, CBP noted that an APEC member may only issue ABTCs to its own citizens; thus, eligibility for the U.S. ABTC was limited to U.S. citizens. 79 FR 27161, 27162, 27174.

⁹ DHS determined that other DHS trusted traveler programs such as FAST and TSA Precheck do not fit the parameters of the U.S. ABTC Program due to their vetting process and their inapplicability to international air

¹⁰ At the time the IFR and final rule were published, U.S. ABTC applications were accepted through CBP's Global Online Enrollment System (GOES) website. On October 1, 2017, CBP launched a new cloud-based website, the Trusted Traveler Programs (TTP) System, which replaced the Global Online Enrollment System (GOES). The TTP website can be accessed at https://ttp.cbp.dhs.gov/.

expiration of the U.S. ABTC Program. The IFR also noted that a renewal application would require a new U.S. ABTC application, fee and review of eligibility criteria, including membership in a CBP trusted traveler program. <u>Id</u>.

Finally, the IFR set forth the notification procedures for applicants who may be denied a U.S. ABTC, listed reasons that a U.S. ABTC holder may be removed from the U.S. ABTC Program, and provided redress procedures for individuals who wished to contest their denial or termination from the U.S. ABTC Program. Id. at 27165-66, 27175.

The IFR became effective on June 12, 2014, and on that date CBP began issuing U.S. ABTCs to qualified U.S. citizens. At that time, in accordance with the APEC Framework, CBP issued U.S. ABTCs valid for three years or until the expiration date of the card holder's passport (if earlier), provided the card holder's participation in the program was not revoked by CBP prior to the end of the period. On November 23, 2016, DHS adopted the interim amendments as final, albeit with two changes: the final rule amended the validity period of U.S. ABTCs to five years in conformity with revisions to the APEC Framework, and removed all references in the regulations to suspension from the program because CBP does not use suspension as a remedial action. 81 FR 84403.

ii) APEC Act of 2017

The APEC Act of 2017 became law on November 2, 2017. Pub. L. 115-79, 131 Stat.

1258. The APEC Act of 2017 replaced the APEC Act of 2011, setting forth, without changing, the general eligibility requirements for the U.S. ABTC and making the U.S. ABTC Program permanent. Id. In comparison with the APEC Act of 2011, the APEC Act of 2017

provides more specific details on eligibility and incorporates certain definitions of terms that were originally set forth in the IFR and regulations that implemented the APEC Act of 2011.

Although certain differences exist between the APEC Act of 2011 and the APEC Act of 2017, in most cases, these differences are consistent with the current regulations and therefore do not warrant a change in the regulations. For example, the APEC Act of 2017 now specifies U.S. citizenship in the eligibility criteria for U.S. ABTCs, whereas the APEC Act of 2011 did not. However, the IFR had clarified the eligibility criteria to include U.S. citizenship based on the criteria set forth in the APEC Framework. Since the regulations limit eligibility to U.S. citizens, the inclusion of this requirement in the APEC Act of 2017 does not warrant a change in the regulations. Similarly, the APEC Act of 2017 provides that U.S. ABTCs may be issued to individuals who are "engaged in business" in the APEC region and U.S. Government officials "actively engaged in [APEC] business." Pub. L. 115-79. This language is consistent with the eligibility requirements set forth in the APEC Framework. In contrast, the APEC Act of 2011 had described as eligible "business leaders and United States Government officials who are actively engaged in [APEC] business." Pub. L. 112-54, 125 Stat. 550. The IFR implementing the APEC Act of 2011 had retained the distinction made in the APEC Framework, which is now made clearer in the APEC Act of 2017. As such, no amendment to the regulations is necessary as a result of this change. Finally, the APEC Act of 2017 specifically vested authority for implementing the program with the Commissioner of CBP, where previously, in the APEC Act of 2011, such authority had been vested in the Secretary of Homeland Security. As the IFR was issued jointly by CBP and DHS, no change to the regulations is required per se. 11

¹¹ The APEC Act of 2017 also does not provide the Commissioner of CBP with authority to terminate the U.S. ABTC Program. Previously, pursuant to the APEC Act of 2011, the Secretary of Homeland Security had such

Two specific differences between the APEC Act of 2017 and the APEC Act of 2011 do require modifications to the regulations: (1) the inclusion of a definition for "trusted traveler program" in the APEC Act of 2017, and (2) the provision within the APEC Act of 2017 that makes the U.S. ABTC Program an ongoing program. The APEC Act of 2017 provides that, solely for the purposes of the U.S. ABTC Program, "the term 'trusted traveler program' means a voluntary program of the Department that allows U.S. Customs and Border Protection to expedite clearance of pre-approved, low-risk travelers arriving in the United States"; no such definition was included in the APEC Act of 2011. Pub. L. 115-79; Pub. L. 112-54, 125 Stat. 54. DHS is incorporating this definition into the regulations. We note that as this definition is consistent with CBP's previous interpretation, its inclusion in the regulations does not necessitate a change in the CBP trusted traveler programs deemed compatible with the U.S. ABTC Program. The Global Entry, SENTRI, and NEXUS trusted traveler programs meet this definition and will continue to be the applicable trusted traveler programs for purposes of the ABTC regulations. 12 Additionally, the APEC Act of 2017 makes the U.S. ABTC Program an ongoing program and the regulations are amended accordingly, as discussed in the section below.

The regulations contained at 8 CFR 235.13, as revised, remain critical to the implementation of the U.S. ABTC Program as they set forth specific application, renewal and

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authority, provided that termination was determined to be in the interest of the United States. As there is no provision regarding termination in the regulations, no change or amendment is required.

¹² CBP does not consider the FAST and TSA Precheck programs to meet the statutory definition. The FAST program is a commercial clearance program for known low-risk commercial shipments entering the United States from Canada and Mexico. FAST has its own vetting process and focuses more specifically on the business of highway carriers using trucks to transport cargo into the United States rather than on low-risk travelers in general. The TSA Precheck program does not deem an individual low-risk for CBP inspectional purposes. It facilitates pre-flight aviation security screening of travelers boarding flights within and departing the United States on U.S. carriers.

redress procedures not contained in the APEC Act of 2017, and they define terms used, but not defined, in the APEC Act of 2017.

II. Discussion of Regulatory Changes

Section 235.13(b)(1) sets forth the eligibility criteria for participation in the U.S. ABTC Program. This same section provides definitions for terms and phrases used in the relevant statutory and regulatory provisions. This document revises § 235.13(b)(1)(ii) by incorporating the definition of "trusted traveler program" included in the APEC Act of 2017.

In the final rule establishing the regulations governing the U.S. ABTC Program, DHS removed references to suspension of previously issued cards as CBP does not use suspension as a remedial action. One reference to suspension inadvertently remained in the regulations, at 8 CFR 235.13(g). This document corrects the error by removing the remaining reference to suspension. Additionally, this document corrects an inadvertent editorial error in § 235.13(g)(1) by adding a space between the words "removal" and "by".

Section 235.13(h) concerns the duration of the U.S. ABTC Program and provides that DHS will issue ABTCs through September 30, 2018. The APEC Act of 2017 makes the ABTC Program ongoing. Pub. L. 115-79, 131 Stat. 1258. Therefore, § 235.13(h) is no longer necessary. This document removes the now-obsolete provision. In light of the savings clause in section 4(b)(2) of the APEC Act of 2017, any ABTCs issued pursuant to the APEC Act of 2011 remain valid until their stated expiration date unless otherwise revoked.

III. Inapplicability of Notice and Delayed Effective Date

The Administrative Procedure Act (APA) generally requires that agencies publish a notice of proposed rulemaking in the Federal Register and provide interested persons the

opportunity to submit comments. <u>See</u> 5 U.S.C. 553(b) and (c). However, there are certain exceptions to this rule.

The APA provides an exception from notice and comment procedures when an agency finds for good cause that those procedures are "impracticable, unnecessary, or contrary to the public interest." See 5 U.S.C. 553(b)(3)(B). In this case, CBP finds that good cause exists for dispensing with notice and public procedure as unnecessary because the conforming amendments and minor non-substantive edits set forth in this document are required to ensure that the regulation reflects changes to the underlying statutory authority affected by the APEC Act of 2017 and to remove a minor inadvertent error. For this same reason, pursuant to 5 U.S.C. 553(d)(3), CBP finds that good cause exists for dispensing with the requirement for a delayed effective date.

IV. Statutory and Regulatory Requirements

A. Executive Orders 12866 (Regulatory Planning and Review), 13563
(Improving Regulation and Regulatory Review) and 13771 (Reducing Regulation and Controlling Regulatory Costs)

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 12866 section 3(f) provides criteria for what constitutes "significant regulatory action" and Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. Executive Order 13771 (Reducing Regulation and Controlling Regulatory Costs) directs agencies to reduce regulation and

control regulatory costs, and provides that for each new regulation issued, two prior regulations must be identified for elimination. Executive Order 13771 also requires that agencies prudently manage and control the cost of planned regulations through a budgeting process. As these amendments to the regulations are conforming amendments to reflect statutory changes and to make minor non-substantive edits, they do not meet the criteria for a "significant regulatory action" as specified in Executive Order 12866, and as supplemented by Executive Order 13563. Accordingly, OMB has not reviewed this regulation. Further, as this rule is not a significant regulatory action, it is exempt from the requirements of Executive Order 13771. See OMB's Memorandum titled "Guidance Implementing Executive Order 13771, Titled 'Reducing Regulation and Controlling Regulatory Costs'" (April 5, 2017).

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 et seq.), as amended by the Small Business Regulatory Enforcement and Fairness Act of 1996, requires an agency to prepare and make available to the public a regulatory flexibility analysis that describes the effect of a proposed rule on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions) when the agency is required to publish a general notice of proposed rulemaking for a rule. Since this document is not subject to the notice and public procedure requirements of 5 U.S.C. 553, it is not subject to the provisions of the Regulatory Flexibility Act.

C. Paperwork Reduction Act

Under the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of

information displays a valid OMB control number. The collections of information in this final rule are approved in accordance with the requirements of the Paperwork Reduction Act under control number 1651-0121. There are no changes being made to the information collection as a result of this final rule.

List of Subjects in 8 CFR Part 235

Administrative practice and procedure, Aliens, Immigration, Reporting and recordkeeping requirements.

Amendments to the Regulations

For the reasons set forth above, 8 CFR part 235 is amended as set forth below.

PART 235 – INSPECTION OF PERSONS APPLYING FOR ADMISSION

1. The authority citations for part 235 is revised to read as follows:

AUTHORITY: 6 U.S.C. 218 and note; 8 U.S.C. 1101 and note, 1103, 1158, 1182, 1183, 1185 (pursuant to E.O. 13323, 69 FR 241, 3 CFR, 2004 Comp., p.278), 1185 note, 1201, 1224, 1225, 1226, 1228, 1365a note, 1365b, 1379, 1731-32; 48 U.S.C. 1806 and note.

- 2. Amend § 235.13 as follows:
 - a. Revise paragraph (b)(1)(ii);
 - b. In paragraph (g) introductory text, remove the words "suspended or" in the first sentence;
 - c. In the first sentence of paragraph (g)(1), add a space between the words "removal" and "by"; and
 - d. Remove paragraph (h).

The revision reads as follows:

§ 235.13 U.S. Asia-Pacific Economic Cooperation Business Travel Card Program.

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- (b) * * *
- (1) * * * *
- (ii) An existing member in good standing of a CBP trusted traveler program or approved for membership in a CBP trusted traveler program during the application process described in paragraph (c) of this section. For the purpose of this section only, "trusted traveler program" is defined as a voluntary program of the Department that allows U.S. Customs and Border Protection to expedite clearance of pre-approved, low-risk travelers arriving in the United States; and

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Dated: May 24, 2019.

Kevin K. McAleenan,

Acting Secretary.

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